

KATHERINE HARRIS  
13TH DISTRICT, FLORIDA



OR  
ORIGINAL  
RECEIVED

PLEASE REPLY TO

- ☐ 116 CANNON HOUSE CE BUILDING
- WASHINGTON, DC 205
- ☐ 116 CANNON HOUSE OFFICE BUILDING

(202) 225-5015  
☐ 1991 MAIN STREET, SUITE 181  
SARASOTA (941) 951-6643 FL 34236  
(800) 453-4184

- ☐ 1112 MANATEE AVENUE WEST, SUITE 902
- BRADENTON, FL 34205
- (941) 747-9081

FINANCIAL SERVICES  
*Capital Markets*  
*Domestic International Monetary Policy*  
*Housing*

INTERNATIONAL  
RELATIONS

*Western Hemisphere*  
*Middle East & Central Asia*

DEPUTY ASSISTANT  
MAJORITY WHIP

**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515-0913

OFFICE OF THE SECRETARY  
FEDERAL MARITIME COMM

October 9, 2003

Bryant L. VanBrakle  
Secretary  
Federal Maritime Commission  
800 North Capitol Street, NW  
Washington, DC 20573

RE: Petition P3-03

Dear Commissioners:

It is my understanding that UPS has filed for an exemption **from** the prohibition on **Non-Vessel Operating Common Carriers (NVOCCs)** from entering into confidential contracts with their customers. Due to the operational characteristics of UPS and recent developments within the ocean shipping marketplace, the antiquated regulatory scheme governing NVOCCs should be revised. I write in strong support of the UPS petition currently pending before the FMC.

During consideration of the Ocean Shipping Reform Act (**OSRA**) revisions of 1998, Congress carefully considered all aspects of the ocean shipping industry including the role of NVOCCs. Based on the nature of ocean shipping at the time, Congress determined that NVOCCs should be regulated differently than vessel operators. In the late 1990s, most NVOCCs were small enterprises that neither owned ocean vessels nor the cargo being shipped. In order to protect shippers and to guarantee liability coverage, Congress determined that NVOCCs should operate under a published tariff system when dealing with their customers.

However, the state of the **U.S** ocean shipping industry has changed dramatically since passage of **OSRA**. There has been unprecedented consolidation among ocean carriers resulting in the loss of major U.S. flagged carriers. **In** an effort to offer customers a **full** range of services, these very same carriers have created vertically integrated logistics companies that now compete with NVOCCs.

UPS operates the most sophisticated, integrated, intermodal transportation network in the world, which includes air, rail and surface and NVOCC transportation, and is deemed a "carrier" in the surface and air freight industries. Furthermore, UPS makes significant annual capital investments to its' asset-based transportation infrastructure. These facts alone set UPS apart **from** the companies that first raised concerns about the regulatory status of NVOCCs.

01  
02  
03  
04  
05  
10  
20  
30  
40

The UPS petition, citing the recent evolution of the ocean shipping marketplace, is precisely the reason Congress granted such broad exemption authority to the FMC. While anticipating dramatic changes in the ocean shipping industry with the passage of OSRA, Congress did not contemplate how fast or how smoothly the market could adapt to these changes. By granting this petition, the FMC will acknowledge these changes, level the playing field between NVOCCs and vessel operators, and ultimately benefit ocean shipping consumers around the world.

I am hopeful the FMC will give the UPS petition its' utmost consideration and render an equitable decision based upon the merits of the UPS case.

Sincerely,

A handwritten signature in black ink that reads "Katherine Harris". The script is elegant and cursive, with the first letters of "Katherine" and "Harris" being capitalized and prominent.

Katherine Harris  
Member of Congress

KATHERINE HARRIS  
13TH DISTRICT, FLORIDA

FINANCIAL SERVICES  
*Capital Markets*  
*Domestic International Monetary Policy*  
*Housing*

INTERNATIONAL  
RELATIONS  
*Western Hemisphere*  
*Middle East & Southeast Asia*

DEPUTY ASSISTANT  
MAJORITY WHIP



**Congress of the United States**  
**House of Representatives**

Washington, DC 20515-0913

PLEASE REPLY TO

☐ 116 CANNON HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
(202) 225-5015

☐ 1991 MAIN STREET, SUITE 181  
SARASOTA, FL 34236  
(941) 951-6643  
(800) 453-4184

☐ 1112 MANATEE AVENUE WEST, SUITE 902  
BRADENTON, FL 34205  
(941) 747-9081

RECEIVED

OCT 10 AM 10:10

OFFICE OF THE SECRETARY  
FEDERAL MARITIME COMM

# Fax Cover Sheet

To: Federal Maritime # of pages: 3  
Commission

From: Melissa

Fax #: 523-0014

Notes: